

# FISCAL NOTE WORKSHEET (Revised Nov. 2006)

Agency: Utah State Office of Education  
Ben Leischman  
 Requested By

Bill Number SB 165 Sub

Office of the Legislative Fiscal Analyst  
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Fax/Electronic Mail Transmittal

Date: _____
Name: _____
Fax Number: _____

Please return to Fiscal Analyst by: February 5, 2007

**TITLE OF BILL:** PRODUCER AND AFFILIATE DISCLOSURE AMENDMENTS

This Bill Takes Effect: ☐ On Passage ☒ On July 1 ☐ 60 Days after session ☐ Other \_\_\_\_\_

Bill Carries Own Appropriation: ☐

## FISCAL IMPACT OF PROPOSED LEGISLATION

### A. Revenue Impact by Source of Funds:

First Year

Second Year

	First Year	Second Year
1. General Fund		
2. Uniform School Fund - Free Revenue	\$180,000	\$180,000
3. Transportation Fund		
4. Collections		
5. Other Funds (List Below)		
6 Local Funds		
7. TOTAL	\$180,000	\$180,000

### B. Expenditure Impact by Source of Funds:

1. General Funds		
2. Uniform School Fund - Free Revenue	\$180,000	\$180,000
3. Transportation Fund		
4. Collections		
5. Other Funds (List Below)		
6 Local Funds		
7. TOTAL	\$180,000	\$180,000

### C. Expenditure Impact Summary:

1. Salaries, Wages and Benefits		
2. Travel		
3. Current Expenses		
4. Capital Outlay		
5. Other (Specify) Consulting Fees	\$180,000	\$180,000
6. TOTAL	\$180,000	\$180,000

### D. Impact in Future Years?

*If no fiscal impact in first two years, indicate if there will be any impact in future years, and explain. Also, indicate any significant changes in fiscal impact beyond the first two years. Use back side, if necessary.)*

The fiscal impact would extend beyond the 2 years. The amount would increase by the number of new school districts and charter schools.

Von Hortin, Audit/Fiscal Specialist      USOE, Finance & Statistics      538-7670      02/05/07

Prepared By      Title      Agency      USOE      Phone No.      Date

Bill Number: \_\_\_\_\_

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**E. Identify Sections of the Bill That Will Generate the Additional Workload or Cost Increase**

Lines 35-36 Would require RFP (Request for Proposals) every 2 years for each school district and charter school.

**F. Expenditure Impact Details (*Ties to totals in Section C*)**

(*USE ATTACHMENTS IF NECESSARY.*) Some districts are already doing RFP's in compliance with the bill. The addition of all schools would create a greater use of consultants to analyze the provisions of health insurance contracts which go beyond the abilities of local officials to analyze. Each RFP would cost about \$18,000 unless costs increase due to the increased number of RFP's which would likely occur at the same time of the year. Assuming 10 of the districts are in the RFP cycle each year, there would be 10 school districts and probably some of the 53 charter schools in the RFP process each year. Assuming the charter schools choose not to use a consultant and that a group of smaller districts could combine on a single RFP would further reduce the costs. Also this assumes all of the current insurance policies procured through State Risk Management would be exempt from these requirements by virtue of Risk Management following the procurement process.

If 10 districts or charter schools or combination thereof were doing an RFP each year, it would cost them about \$180,000 per year. This assumes that all insurance procured through State Risk Management would not need to be procured through additional RFP's but that the ones done through Risk Management would suffice.

**G. No Fiscal Impact or Will Not Require Additional Appropriations?**

*Specify why this bill will have no fiscal impact on your agency or institution.*

*Specify how you will reallocate workloads, resources, or funding sources to eliminate need for additional appropriations. (USE ATTACHMENTS IF NECESSARY.)*

There would be fiscal impacts.

**H. If Bill Carries It's Own Appropriation:**

*Indicate if the amount appropriated is adequate to meet the purposes of the bill.*

*Are there future additional costs anticipated beyond the appropriation in the bill?*

The bill carries no appropriation at this point.

**I. Impact on Local Governments, Businesses, Associations, and Individuals**

*Specify requirements in the bill that drive the impact on local governments.*

*Indicate costs or savings that are **DIRECT and MEASURABLE**. If direct and measurable data are not available, are there areas that potentially could have a fiscal impact? (USE ATTACHMENT IF NECESSARY.)*

Local School Districts/Charter Schools : School districts and charter schools would be required to use the RFP process every two years to purchase insurance products with the exception of workmen's compensation insurance. Assuming there are 10 units in the RFP process each year, this would cost about \$180,00 for consulting services and advertising costs annually. This assumes some units would choose not to use consultants and go through the RFP process without consultants however, there would be advertisement costs associated with the RFP process.

Businesses and Associations :

Individuals :

Narrative Description of Bill : This bill requires all schools districts and charter schools to use the RFP process to procure insurance products. They would have to use the RFP process at least every two years. This analysis assumes insurance products procured through State Risk Management would be deemed to have met these requirements or be exempted due to Risk Management following the legal procurement process.

This is a draft fiscal note response from the Utah State Office of Education (USOE) and may be revised in the future.

This fiscal note input draft does not imply endorsement of this bill by the State Board of Education or USOE.